



U. S. Department of Housing and Urban Development

Washington, D.C. 20410-5000

November 21, 2000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

Dear Public Housing Agencies:

We are writing this letter to clarify the Department's expectations concerning the calendar year 1998 Computer Matching Income Verification Program. As you know, HUD has been working to increase the availability of affordable housing resources throughout America. A part of this effort is strengthening the integrity of its rental assistance programs by ensuring that its programs serve only eligible households with the correct amount of assistance. HUD is undertaking the Tenant Income Verification Program (TIV) to assist Public Housing Agencies (PHAs) in determining the correct annual income and rent payments for your tenants.

IIUD's priority in the first year of the program is simply to identify where there are actual discrepancies between income and rental assistance levels. It is essential to the success of the program, therefore that PHAs quickly evaluate the potential income discrepancies identified by TIV and report on the result, so that we can have accurate baseline information.

As you know, we have indicated in the Income Discrepancy Resolution Guide, Release 1.8, that HUD will not require nor encourage PHAs to make rental adjustments for prior years for income underreported or overreported in 1998 that is identified during the TIV process for that year. We have also stated that we will not encourage PHAs to seek repayment or tenant reimbursement. However, PHAs may choose to recover excess rental assistance where the underreporting of income was egregious. It has been pointed out to us that our plan for the baseline year may be inconsistent with HUD guidance. **This letter is to advise you that such guidance provided by HUD is superseded by the policy contained in this letter and the Calendar Year 1998 Income Discrepancy Guide, Release 1.8, for the computer matching and income verification process for the baseline year.**

Sincerely,

A handwritten signature in black ink, appearing to read "Harold Lucas", is written over a horizontal line.

Harold Lucas

Assistant Secretary for
Public and Indian Housing